

<b>Data System Redesign Projects</b>		<b>Agency/Program #:</b> 6901-09-G1-1
		<b>Division:</b> Technology Services
		<b>Program:</b> External Systems CHIMES
<b>Agency Name:</b>	Department of Health and Human Services	
<b>Agency Contact:</b>	Mary Angela Collins / Scott Sim	449-2134
<b>LFC Contact:</b>	Senator Cobb, Senator Williams	
<b>LFD Liaison:</b>	Marilyn Daumiller	444-5386
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**Program or Project Description:**

Combined Health Information and Montana Eligibility System (CHIMES) is 2/3 on the way to completion. In February, the Department executed a new agreement with its contractor to finish CHIMES over the next 18 months as a tightly controlled project with deliverable-based price controls and penalties.

Note: The financial data below was added by LFD staff. No financial data was provided on the OBPP submission 5/12/2008. The project is well underway. The FY 2008 expenditures include FY 2007.

Appropriation, Expenditure and Source				
Fund Name:	2008		2009	
	Approp.	Expended	Approp.	Expended
General Fund	550,000	2,660,367	550,000	
State Special				
Federal Funds	550,000	4,925,483	550,000	
<b>Total:</b>	<b>\$1,100,000</b>	<b>\$7,585,850</b>	<b>\$1,100,000</b>	<b>\$0</b>

Approp & Expenditure numbers are as of April 15, 2007

**Legislative Goal(s):**

Replace obsolete department data systems – for this session: Begin TANF, Food Stamps, CAPS (Child and Adult Protective System), and the completion of CHIMES.

**Legislative Performance Measures :**

Note: This process is also a component of the global IT project monitored by the Information Technology Division. The most recent status report by the Chief Information Officer will accompany the TSD report. (Not received in time for analysis.)

Report for each system: TANF, Food Stamps, CAPS, and Chimes (TANF, Food Stamps and CAPS are on separate reports)

As of March 31, 2008 of the 2009 biennium:

The CHIMES system is 2/3 percent complete at a cost of \_\_\_\_ (not provided in OBPP report) \_\_\_\_

Keep all development projects at a "green light" status with the State CIO's office at least 70% of the time; Zero Development failures on major systems (failures are defined as projects that significantly fail to meet sponsor needs due to cost, schedule or functionality problems).

2009 Biennium Significant Milestones:	Completion Dates	
	Target	Actual
The CHIMES system is 2/3 complete.	6/30/2009	Progress 3/31/2008
Implement the Combined Healthcare Information and Montana Eligibility System (CHIMES)	7/1/2009	

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**Agency Performance Report:**

Project is in the development phase. Detailed design for most of the major web modules is complete. The Client Intake module is 60% complete and in system test. The project is on time and on budget. Expenditures are reflective of total program costs life-to-date for the project including contracted services for systems development.

LFD ASSESSMENT: The project is well underway, but received a ranking of Warning because no data was provided.

DATA RELEVANCE and APPROPRIATION STATUS: No data was provided with the OBPP report. Financial data gathered by LFD staff about the \$60 million Long Range IT appropriation indicates that the project has started as noted in the write-up provided by the agency: \$25,300,000 was transferred from the department of Administration to TSD in December, 2007 for each year of the 2009 biennium. \$300,000 for personal services and the balance for operations. About \$1.1 million was for the CHIMES project in each year of the biennium. About \$7.5 million has been expended to date on the CHIMES project that began in FY 2007. FY 2008 expenditures were not available.

ISSUES / COMMENTS: THE CHIMES PROJECT: This project is not projected to extend into the 2011 biennium.

However, given that deviations from original plans in computer system planning, building, and implementation are not uncommon, and that the contractual nature of a long range IT appropriation can lead to large expenditures that suddenly boost the appropriation use on any given date, the workgroup may wish to request a report at the fall workgroup meeting that would include amounts for the original total system design projection, actual expenditures and a total cost projection to date, as well as the projected date for CHIMES completion, and if there is an estimated change from the original projection - how will the amount be funded?

IT RELATED and across all division goals: The division has requested 8.50 modified FTE from HB2 funding for project support management, facilities maintenance contracts, and business and fiscal administration in the amount of about \$400,000 for this biennium. However, according to the PHS Budget Status Report provided in January 2008 and including February projections (the latest edition LFD staff has received) the division is projecting a deficit of \$1.2 million. About \$300,000 is in personal services and \$655,000 is in contracted and other services.

The department's financial staff indicate that mitigation efforts are underway, and that there is funding in the department to address the deficit projection. The workgroup may wish to ask for details.

In addition to the CHIMES report, the workgroup may wish to require a report at the fall meeting on the financial position of TSD including funding for the modified FTE in the next biennium that could be in the HB2 personal services budget.

**OPTIONS:**

- 1) Accept the ranking and receive an update in the fall
- 2) Upgrade to on-track and receive an update in the fall

Version	Date	Author
6901-09-G1-1--BW-2	5/20/08	Daumiller
6901-09-G1-1--BO-1	12/5/07	Daumiller

Change Description
Added LFD Narrative
Added LFD Narrative